



Nebraska Sales and Use Tax

Manufacturing Machinery and Equipment (MME)

2016

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Overview of Sales and Use Tax

Sales tax is...

- ... a transactional tax,
- ... based on the transaction, rather than the item sold.

A sale is...

- ... the transfer of title or possession of an item, or
- ... providing a service,
- ... for consideration.

For more information, see our guide [Nebraska and Local Sales Tax](#) or [Reg-0-001 - Nature of Sales Tax](#).

Overview of Sales Tax

- What is a sales transaction?
 - Sales tax is calculated on the gross receipts.
 - Delivery location determines the rate of local tax.
 - Retailers must collect and report sales tax or document why they didn't.

A lease or rental of tangible personal property...

...is a sale,

...a lease or rental is a transfer of control or possession of the property.

Sales tax is due on each lease or rental payment.

For more information, see [Reg-1-018 - Rent or Lease of Tangible Personal Property](#).

All sellers...

...are the consumers of anything they use to sell their items and services; and

...must pay tax on them.

Example 1: Cash registers

Example 2: Security services

Taxable Services

- Animal specialty services
- Building cleaning
- Computer software training
- Detective services
- Installing/applying tangible personal property
- Motor vehicle towing, washing/waxing, painting
- Pest control services
- Recreational vehicle (RV) park services
- Security services
- Repair labor (with 5 exceptions)

For a more complete list of taxable and nontaxable services, see the [Nebraska and Local Sales Tax Information Guide](#) on our website.

All service providers...

...are the consumers of the taxable items and services used to provide the service; and
...must pay tax on those items or services
(even if the charge for the service is also taxable).


Example 1: The carwash does not sell soap and wax, but a “car wash.”

Example 2: A window cleaner is not selling window cleaning solution, but “clean windows.”

The Bottom Line for Sales Tax

Sellers must collect sales tax
or
document why they did not.

Form 13, Section A

| | | | | | |
|---|--|--|------------------------------------|----------------|----------|
|  | | Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption | | Form 13 | |
| Name and Mailing Address of Purchaser | | | Name and Mailing Address of Seller | | |
| Name | | | Name | | |
| Legal Name | | | | | |
| Street Address (Do not use PO Box) | | | Street or Other Mailing Address | | |
| City | | State | City | | State |
| | | Zip Code | | | Zip Code |
| Check Type of Certificate <input type="checkbox"/> Single Purchase If single purchase is checked, enter the related invoice or purchase order number <input type="text"/> . <input type="checkbox"/> Blanket If blanket is checked, this certificate is valid until revoked in writing by the purchaser. | | | | | |
| I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason: Check One <input type="checkbox"/> Purchase for Resale (Complete Section A.) <input type="checkbox"/> Exempt Purchase (Complete Section B.) <input type="checkbox"/> Contractor (Complete Section C.) | | | | | |

Section A—Nebraska Resale Certificate

Description of Property or Service Purchased

I hereby certify that the purchase, lease, or rental of from the seller listed above is exempt from the Nebraska sales tax as a purchase for resale, rental, or lease in the normal course of our business. The property or service will be resold either in the form or condition in which it was purchased, or as an ingredient or component part of other property or service to be resold.

I further certify that we are engaged in business as a: ☐ Wholesaler ☐ Retailer ☐ Manufacturer ☐ Lessor
 of Description of Product or Service Sold, Leased, or Rented

My Nebraska Sales Tax Permit Number is 01-.

If none, state the reason .

or Foreign State Sales Tax Number State .

For more detailed information, refer to the [Form 13 instructions](#).

Nebraska Exempt Sale Certificate

Form 13, Section B

- Specific governmental units
 - [Governmental Entities](#) – Information guide
 - [Reg-1-012C](#) – Entity-based exemptions
- Certain exempt organizations
 - [Nonprofits](#) – Information guide
 - [Nonprofits](#) – PowerPoint slides
 - [Reg-1-090](#) – Nonprofit organizations
 - [Reg-1-091](#) – Religious organizations
 - [Reg-1-092](#) – Educational institutions


Form 13, Section B

- Qualified manufacturing machinery and equipment (MME)
 - [MME](#) – Information guide
 - [MME](#) – PowerPoint slides
 - [Reg-1-107](#) – MME Exemption
- Vehicles and parts for vehicles used as a common or contract carrier
 - [Common or Contract Carrier](#) – Information guide
 - [Reg-1-069](#) – Common & Contract Carriers

Form 13, Section B

- Qualified commercial agricultural machinery and equipment (ag exemption)
 - [Ag](#) – Information guide
 - [Agri-business](#) – PowerPoint slides
 - [Reg-1-094](#) – Ag machinery & equipment refund
- Occasional sales (This exemption is very limited in scope!)
 - [Reg-1-022](#) – Occasional sales

Form 13, Section B

| | | | | | |
|--|--|---|------------------------------------|----------------|-------|
|  | | Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption | | Form 13 | |
| Name and Mailing Address of Purchaser | | | Name and Mailing Address of Seller | | |
| Name | | | Name | | |
| Legal Name | | | | | |
| Street Address (Do not use PO Box) | | | Street or Other Mailing Address | | |
| City | | State | City | | State |
| Zip Code | | | Zip Code | | |
| Check Type of Certificate | | | | | |
| <input type="checkbox"/> Single Purchase | | If single purchase is checked, enter the related invoice or purchase order number | | | |
| <input type="checkbox"/> Blanket | | If blanket is checked, this certificate is valid until revoked in writing by the purchaser. | | | |
| I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason: | | | | | |
| Check One <input type="checkbox"/> Purchase for Resale (Complete Section A.) <input type="checkbox"/> Exempt Purchase (Complete Section B.) <input type="checkbox"/> Contractor (Complete Section C.) | | | | | |

Section B—Nebraska Exempt Sale Certificate

The basis for this exemption is exemption category (insert appropriate number for the category of exemption described on the reverse side).

If exemption category 2 or 5 is claimed, enter the following information:

| | |
|--------------------------------|---------------------------------|
| Description of Items Purchased | Intended Use of Items Purchased |
| <input type="text"/> | <input type="text"/> |


If exemption category 3 or 4 is claimed, enter your Nebraska Exemption Certificate number. 05-
 Do not enter your Federal Employer ID Number.

If exemption category 6 is claimed, the seller must enter the following information and sign this form below:

| | | | |
|---------------------------|------------------------------------|--|--|
| Description of Items Sold | Date of Seller's Original Purchase | Was tax paid when purchased by seller? | Was item depreciable? |
| <input type="text"/> | <input type="text"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

For more information, see [Form 13 instructions](#).

Form 13, Section C – For Contractors Only

| | | | | | |
|---|-------|--|------------------------------------|--------------------|----------|
|  Nebraska Department of REVENUE | | Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption | | Form 13 | |
| Name and Mailing Address of Purchaser | | | Name and Mailing Address of Seller | | |
| Name | | | Name | | |
| Legal Name | | | | | |
| Street Address (Do not use PO Box) | | | Street or Other Mailing Address | | |
| City | State | Zip Code | City | State | Zip Code |
| Check Type of Certificate | | | | | |
| <input type="checkbox"/> Single Purchase If single purchase is checked, enter the related invoice or purchase order number | | | | | |
| <input type="checkbox"/> Blanket If blanket is checked, this certificate is valid until revoked in writing by the purchaser. | | | | | |
| I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason: | | | | | |
| Check One <input type="checkbox"/> Purchase for Resale (Complete Section A.) <input type="checkbox"/> Exempt Purchase (Complete Section B.) <input type="checkbox"/> Contractor (Complete Section C.) | | | | | |
| Section C—For Contractors Only | | | | | |
| 1. Purchase of building materials or fixtures. <input type="checkbox"/> As an Option 1 or Option 3 contractor, I hereby certify that the purchase of building materials and fixtures from the seller listed above are exempt from Nebraska sales tax. My Nebraska Sales or Use Tax Permit Number is: | | | | | |
| 2. Purchases made by an Option 2 contractor under a Purchasing Agent Appointment on behalf of (exempt entity) | | | | | |
| As an Option 2 contractor, I hereby certify that the purchase of building materials and fixtures from the seller listed above is exempt from Nebraska sales tax pursuant to the attached Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17. | | | | | |

There is a seminar just for [contractors](#)! Check the schedule to attend a class, request that we set a date to work with you directly, or check out the presentation using the link above!

What is Use Tax?

- Use tax is due when Nebraska sales tax has not been paid on a taxable item or service purchased for use in Nebraska.
- Sales and use tax are not both due on the same transaction.
- The big difference is who remits the tax -
 - Sales tax is collected and remitted by the seller.
 - Use tax is paid directly to the Department by the purchaser/consumer.

Use Tax and Sales Tax Have These Things in Common –

- They are imposed on the same transactions.
- They have the same exemptions.
- They are calculated at the same rate.
 - Where delivery occurs or
 - Where first usage in Nebraska takes place.

When Use Tax is Due

- Use tax is often due when purchases are made from an out-of-state seller
 - Internet, catalog, mail order
 - Magazines and journals by subscription
- Use tax is due when the business withdraws tax-free inventory for business or personal use (including donations)
 - Auto mechanic
 - Hair salon

Note: Be sure to maintain good records!

Containers

There are two types:

- Returnable
 - Taxable to the person who will place contents into them.
- Nonreturnable
 - Nontaxable when the person will fill the container and sell the contents with the container.

For more information, see [Reg-1-043](#) – Containers.

Gross Receipts – Delivery Charges

Delivery charges are taxable when:

1. The buyer pays the seller for the delivery charge;
-and-
2. The transaction is taxable.

Delivery charges are taxable regardless of the method of delivery.

Software and Digital Goods & Services

Taxable Examples

Software/software installation

- Tangible medium
- Internet transferred software
- Software training/re-training by the seller
- Maintenance agreements with updates

Digital goods

- Electronic books and book clubs
- Downloading songs & ringtones
- Movies, music videos, & TV shows

Services

- Virus protection software, monitoring services, security services, and testing

Software and Digital Goods & Services

Nontaxable Examples

Software/software installation

- Cloud computing
- Accessing web-based applications (no code necessary)
- Access codes for online subscription services

Digital goods

- Web design without license transfer
- Electronically-transferred photographs

Services

- Help desk without updates

For more information, see [Reg-1-088 – Software](#) and the [Computer Software](#) information guide.

Delivery Charges

If you owe use tax on a purchase, you also owe use tax on any delivery charge paid to the seller as part of that purchase.

Overview of Manufacturing

What is “Manufacturing?”

Manufacturing is...

performing any action or series of actions on tangible personal property – by hand or machine – resulting in the property being reduced or transformed into a different:

- state
- quality
- form
- property
- thing.

Manufacturing does not include:

- Document shredding
- Mining
- Bottling
- Sorting
- Retail operations
- Generation or transmission of electricity
- Production or transmission of information or data
- Preparation of food for immediate consumption
- Purification or transportation of water
- Commercial agricultural operations or support of those operations

Manufacturing Machinery & Equipment (MME)

MME is machinery and equipment:

- Used in manufacturing;
and
- Purchased by a person or
entity engaged in the
business of manufacturing.

MME can be purchased
sales tax exempt.

Manufacturing Machinery and Equipment (MME) is Exempt:

When the purchaser of qualified equipment is engaged in manufacturing.

- The revenue test for manufacturing activity (See Reg 1-107.02)
no longer applies per
Farmers Cooperative v.
Nebraska Department of Revenue.

Manufacturing Machinery and Equipment (MME) is Exempt:

- A Form 13 must be issued to the retailer of the MME.
- The percent of usage test for manufacturing equipment (See Reg 1-107.02) **no longer applies** per *Kerford Limestone Co. v. Nebraska Department of Revenue*.

The Sales and Use Tax Regulations
will be updated to reflect the court decisions referenced above.

1. Used to produce, fabricate, assemble, process, finish, refine, or package tangible personal property;

Examples -

- Drill press used to manufacture shelving and cabinets.
- Extrusion mold used to produce rigid styrofoam to ship cabinets.

2. Used to transport, convey, handle, or store the manufactured goods or raw materials;

Examples -

- Forklift used to off load raw materials, or used to move the finished product throughout the facility.
- Shelving used to store raw materials or the finished product.

3. Used to maintain the integrity of the manufactured products, or unique environmental conditions for the products or MME itself;

Examples -

- Humidifier used to maintain paper quality in a paper plant.
- Freezer used by an ice cream manufacturer.

4. Used to test or measure the product, the manufacturing process, or the quality of the finished products;

Example -

- Incubator used to determine bacteria level in manufactured meat product.

5. Computers, software (and related training), and related peripheral equipment used to guide, control, operate, or measure the manufacturing process.

Example -

- Computer hardware and software used to direct robotic assembly line equipment to attach a rivet at a particular point.

6. The MME is not required to actually “touch” or work on the item being manufactured in order to qualify for the exemption;

Examples –

- Boilers used by manufacturers to produce steam essential to the manufacturing process
- Equipment used to make a necessary catalyst
- Molds, dies, and materials necessary to create them for use in manufacturing the finished product or its packaging
- Component parts used to create self-constructed equipment
- Replacement parts
- Repair labor charges
- Installation and maintenance services

Repair of MME

Manufacturers may purchase parts and labor to repair MME sales tax exempt.

Examples –

- Motor for a drill press
- Grease or other lubricants to keep the drill press running
- Repair labor

Warranties and Guarantees

Sales of warranties and guarantees that cover exempt MME are also sales tax exempt.

Taxable Machinery & Equipment

Examples –

- Tools powered by hand
- Security equipment
- Safety equipment
- Repair shop equipment
- Cleaning equipment
- Licensable motor vehicles and trailers
- Equipment used in retail operations
- Office equipment used for research and development
- Office equipment, including computers and software

Other Taxable Items

Items necessary to the production of a product that are not considered MME.

Examples –


- Catalyst - a catalyst is a chemical that causes or facilitates a reaction without becoming a part of the resulting chemical compound
- Cutting oil used on a drill press to cut holes in the manufactured product

Dual Use of MME

MME that is used both for manufacturing and for other purposes is exempt.

Documenting Exempt Purchases

Manufacturers must give a properly completed [Form 13](#), Section B, Category 5 to their Nebraska vendors.

| | | | | | |
|--|--|---|------------------------------------|----------------|----------|
|  | | Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption | | Form 13 | |
| Name and Mailing Address of Purchaser | | | Name and Mailing Address of Seller | | |
| Name | | | Name | | |
| Legal Name | | | | | |
| Street Address (Do not use PO Box) | | | Street or Other Mailing Address | | |
| City | | State | City | | State |
| | | Zip Code | | | Zip Code |
| Check Type of Certificate | | | | | |
| <input type="checkbox"/> Single Purchase | | If single purchase is checked, enter the related invoice or purchase order number | | | |
| <input type="checkbox"/> Blanket | | If blanket is checked, this certificate is valid until revoked in writing by the purchaser. | | | |
| I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason: | | | | | |
| Check One <input type="checkbox"/> Purchase for Resale (Complete Section A.) <input type="checkbox"/> Exempt Purchase (Complete Section B.) <input type="checkbox"/> Contractor (Complete Section C.) | | | | | |

Section B—Nebraska Exempt Sale Certificate

The basis for this exemption is exemption category (insert appropriate number for the category of exemption described on the reverse side).

If exemption category 2 or 5 is claimed, enter the following information:

Description of Items Purchased

Intended Use of Items Purchased

If exemption category 3 or 4 is claimed, enter your Nebraska Exemption Certificate number. 05-

Do not enter your Federal Employer ID Number.

If exemption category 6 is claimed, the seller must enter the following information and sign this form below:

| | | | |
|---------------------------|------------------------------------|--|--|
| Description of Items Sold | Date of Seller's Original Purchase | Was tax paid when purchased by seller? | Was item depreciable? |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Contractors

The Nebraska Contractor Registration Act requires contractors and subcontractors doing business in Nebraska to register with the Nebraska Department of Labor.



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Post a Job
Research Careers
Labor Market Information



UIConnect

Link to
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for Employers



Unemployment

Get Information
Claim Benefits
File an Appeal
Report Fraud



Contractors

Register
Renew Registration
Search Registered
Contractors
Pay Fees



Safety

Schedule a Boiler
or Elevator Inspection
or OSHA Consultation



Contractors Database

- Every construction contractor making payment to a subcontractor must withhold 5%;...
- Unless the subcontractor is registered in the Department of Labor's Contractor Registration Database.

- A single definition of “contractor” is used for purposes of the Contractor Registration Act and construction contractor withholding.
(This definition is slightly different than the sales and use tax definition of a contractor.)
- A centralized registration system is used for construction contractors.
- The Department of Labor administers the [Contractor Database](#).

Construction Contractor

- Contractors may purchase and annex MME to real property, or repair MME that is annexed.
- The MME and repair parts purchased and annexed by a contractor are taxed according to the contractor option chosen.
- Charges for contractor labor are not taxable.

- Makes repairs or improvements to real estate or items annexed to real estate.
- Arranges for annexation.

Examples you may not have thought about -

- Landscapers who build or repair retaining walls.
- Interior designers who arrange for construction work to be done (hanging wallpaper).
- Providers of restoration services to real estate.

Contractor Labor

- Annexing building materials to real estate.
- Repair of a structure.
- Repair of building materials that are or will be annexed to real estate.
- Charges for contractor labor are not taxable.

Example: Hanging drywall.

Building Materials

- Property (including fixtures) that will be annexed to real estate or to an improvement on real estate (see [Reg-1-017-02](#)).
- Does not include:
 - Tools;
 - Equipment;
 - Supplies; or
 - Other items not annexed.

Example: Rebar embedded in concrete is a building material. Form lumber is not.

Fixtures

- Equipment that must be annexed to a building or structure so that it can properly function.
- Fixtures remain identifiable as a separate item.

Example: Water heater.

Contractor Options

- Contractor Options apply only to construction contractor projects.
- Option chosen determines:
 - How sales and use tax is paid on building materials and fixtures; or
 - If sales tax is collected from the customer on building materials and fixtures
- Audits will be conducted based on the default option or option chosen. If an option is not chosen, default = Option 1.

- Retail Sales (TPP & Taxable Services)
 - Taxable at rate in effect where delivery occurs.
- Contractor Labor
 - Not taxable.
- Nontaxable Services

Option 1 Contractor

- Transactions with the Supplier
 - Purchases building materials and fixtures for resale.
 - Must give Nebraska supplier a properly completed [Form 13](#), Section C, Block 1.
- Transactions with the Customer
 - Does not collect sales tax on separately stated labor charges.
 - Must collect sales tax on separately stated charges for building materials and fixtures.
 - If charges for building materials and labor are not separately stated, the entire amount is taxable.

Option 2 Contractor

- Transactions with the Supplier
 - Pays sales or use tax on purchases of building materials and fixtures.
- Transactions with the Customer
 - Does not collect sales tax on any portion of the invoice. Cannot accept a Form 13.

Option 3 Contractor

- Transactions with the Supplier
 - Purchases building materials and fixtures tax-free.
 - Must give Nebraska supplier a properly completed [Form 13](#), Section C, Block 1.
- Transactions with the Customer
 - Must remit use tax at the rate in effect at the time and place of withdrawal of building materials and fixtures from inventory.
 - Does not collect sales tax on any portion of the invoice. Cannot accept a Form 13.

Contractor Issues

Option 1 Contractor

- Transactions with the Supplier
 - Can purchase MME or repair parts sales tax exempt for resale.
 - Must give Nebraska supplier a properly completed [Form 13](#), Section C, Block 1.
- Transactions with the Manufacturer
 - Does not collect sales tax on any portion of the invoice.
 - Must obtain a properly completed Form 13, Section B, Category 5 from the manufacturer.

Option 2 Contractor

- Transactions with the Supplier
 - Pays sales or use tax on purchases of MME and the repair parts for MME.
- Transactions with the Manufacturer
 - Does not collect sales tax on any portion of the invoice. Cannot accept a Form 13.

Option 3 Contractor

- Transactions with the Supplier
 - Buys MME or repair parts **sales tax exempt**.
 - Must give Nebraska supplier a properly completed [Form 13](#), Section C, Block 1.
- Transactions with the Manufacturer
 - Must remit use tax at the rate in effect at the time and place of withdrawal of MME or repair parts from inventory.
 - Does not collect sales tax on any portion of the invoice. Cannot accept a Form 13.

Please note: MME does not include items that are an integral part of a building.

Examples –

- Foundation for a specific piece of MME.
- Electrical wiring from the electrical panel to the shutoff box for the MME.

Cleaning annexed equipment is taxable building cleaning when the equipment is real property

If the annexed equipment facilitates the function of the building...

and

is intended to stay with the building...

then

the equipment is considered real property.

Examples:

- Furnace
- Air conditioner
- Water heater

Cleaning annexed equipment is not taxable building cleaning when the equipment is TPP

If the annexed equipment facilitates the function of the business...

and

is **not** intended to stay with the building...

then

the equipment is considered tangible personal property. The cleaning of the equipment is not taxable.

Examples:

- Commercial ice maker
- Commercial oven

Water & Energy Source Utility Exemption

Water Exemption

- Sales tax is not due when more than 90% of the water billed through a single meter is used for one of the following exempt purposes:
 - Irrigation of agricultural lands
 - Manufacturing
 - Care of animals whose products we eat or wear

Energy Source Utility Exemption

- Sales tax is not due when more than 50% of a qualified energy source is used for an exempt purpose:
 - Generation of electricity
 - Irrigation or farming
 - Processing or manufacturing
 - Refining
 - Use by any hospital
- Use [Form 13E](#), Nebraska Energy Source Exempt Sale Certificate

The seller is not responsible for collecting sales tax on sales of dyed diesel fuel when delivery takes place by

- Pumping it into a bulk tank equipped with a hose and nozzle;
- Pumping it directly into the fuel tank of an off-road vehicle;
 - Farm tractor ○ Bulldozer ○ Excavator
 - Combine ○ Road grader ○ Boat
- Pumping it directly into a supply tank that fuels equipment that generates electricity; or
- Pumping it directly into a supply tank that fuels stationary crop irrigation equipment.


Taxable Energy Source

Dyed diesel fuel is subject to sales and use tax when:

- Used in certain equipment
 - Reefer unit
 - De-watering equipment
 - Diesel powered light tower equipment
 - Diesel powered air compressor

Refer to Sales and Use Tax Regulation [1-089-](#)
Energy Source Utility Exemption, for more information.

Form 13E

| | | |
|--|---|--|
|  REVENUE | Nebraska Energy Source Exempt Sale Certificate | <div style="background-color: yellow; border: 1px solid black; padding: 2px; display: inline-block;">RESET FORM</div> FORM 13E |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> NAME AND MAILING ADDRESS OF PURCHASER </div> <div style="width: 48%;"> NAME AND MAILING ADDRESS OF SELLER </div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;">Name</div> <div style="width: 48%;">Name</div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;">Street or Other Mailing Address</div> <div style="width: 48%;">Street or Other Mailing Address</div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 33%;">City</div> <div style="width: 15%;">State</div> <div style="width: 33%;">Zip Code</div> <div style="width: 33%;">City</div> <div style="width: 15%;">State</div> <div style="width: 33%;">Zip Code</div> </div> | | |
| Check Type of Certificate <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 40%;"> <input type="checkbox"/> Single Purchase <input type="checkbox"/> Blanket </div> <div style="width: 60%;"> If Blanket is checked, this certificate is valid until revoked in writing by the purchaser. </div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;">Purchaser's Account Number</div> <div style="width: 48%;"> Was an energy audit (analysis) completed prior to issuing this certificate to the seller? <input type="checkbox"/> YES <input type="checkbox"/> NO </div> </div> | | |
| Describe your business operations: | | |
| <div style="margin-bottom: 10px;"> <input type="checkbox"/> A. Our purchase of electricity or compressed natural gas is exempt from Nebraska sales and use tax because more than 50 percent of the energy charge through meter number(s) _____ has been properly determined to be used or directly consumed in: (check appropriate box) </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 33%;"><input type="checkbox"/> Manufacturing and Processing</div> <div style="width: 33%;"><input type="checkbox"/> Farming</div> <div style="width: 33%;"><input type="checkbox"/> Generation of Electricity</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 33%;"><input type="checkbox"/> Irrigation</div> <div style="width: 33%;"><input type="checkbox"/> Refining</div> </div> <div> <input type="checkbox"/> B. Our purchase of coal, fuel oil, diesel fuel, tractor fuel, coke, nuclear fuel, butane, propane, or gas is exempt from Nebraska sales and use tax because more than 50 percent of the amount purchased is used or directly consumed in: (check appropriate box) </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 33%;"><input type="checkbox"/> Manufacturing and Processing</div> <div style="width: 33%;"><input type="checkbox"/> Farming</div> <div style="width: 33%;"><input type="checkbox"/> Generation of Electricity</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 33%;"><input type="checkbox"/> Irrigation</div> <div style="width: 33%;"><input type="checkbox"/> Refining</div> </div> | | |
| <p style="font-size: small;">Any purchaser, or the agent thereof, or other person who completes this certificate for any purchase which is not otherwise exempted from the sales and use tax under the Nebraska Revenue Act, as amended, shall in addition to any tax, interest, or penalty otherwise imposed, be subject to a penalty of \$100.00 or ten times the tax, whichever amount is larger, for each instance of presentation and misuse. With regard to a blanket certificate, said penalty shall apply to each purchase made during the period the blanket certificate is in effect. Under the penalties of law, I declare that I am authorized to sign this certificate, and to the best of my knowledge and belief, it is correct and complete.</p> | | |
| <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 45%;"> <div style="display: flex; align-items: center;"> <div style="font-size: 24pt; font-weight: bold; margin-right: 5px;">sign here</div> <div style="border-bottom: 1px solid black; flex-grow: 1;"></div> </div> <div style="font-size: small; margin-top: 5px;">Authorized Signature of Purchaser</div> </div> <div style="width: 20%;"> <div style="border-bottom: 1px solid black; flex-grow: 1;"></div> <div style="font-size: small; margin-top: 5px;">Title</div> </div> <div style="width: 35%;"> <div style="border-bottom: 1px solid black; flex-grow: 1;"></div> <div style="font-size: small; margin-top: 5px;">Date Issued</div> </div> </div> | | |

For more detailed information, refer to the [Form 13E instructions](#).

Summary of Purchases by Manufacturers

Recognize what is taxable and know how to document what is not taxable:

- MME Equipment Exemption [Form 13, Section B](#)
- Other Equipment Taxable
- Component/Ingredient [Form 13, Section A](#)
- Supply Items Taxable
- Energy Source Exemption [Form 13E](#)
- Water Exemption [Form 13, Section B](#)

For more information on MME, refer to:

Sales and Use Tax Regulations 1-
12.02D(33), 1-107;

at revenue.nebraska.gov.

Nonresident Individuals Performing Personal Services in Nebraska

- Business Background
 - Any business that gets audited is reviewed to be sure the entity has correctly withheld income tax on payments made to nonresident individuals and certain other entities that were hired to perform personal services in Nebraska.
 - A specific [information guide](#) has been created.

Definitions

- **Nonresident Individual.** A person who is not a resident of Nebraska at the time the personal service is performed.
- **Nonresident Entity.** Includes corporations, partnerships, and LLCs not domiciled in Nebraska, and that do not maintain a permanent place of business in Nebraska.
- **Personal Services.** Include services provided by persons not considered employees under the IRC.

Payments to Nonresident Individuals

- Payments are subject to withholding when:
 - The payor maintains an office or transacts business in Nebraska and the payments exceed \$600; or
 - The payor does not have an office in Nebraska and the payments exceed \$5,000.

Payments to Nonresident Entities

- Payments are subject to withholding when:
 - The payor maintains an office or transacts business in Nebraska and the payments exceed \$600;
 - or
 - The payer does not have an office in Nebraska and the payments exceed \$5,000;

Payment Requirements

- ...and when:
 - 80% or more of the voting stock is owned by shareholders who perform the personal services;
 - or
 - 80% or more of the ownership or profits interest of a partnership or LLC is held by partners or members who perform the personal services.

For these businesses, withholding is required for services performed by any shareholders, partners, or members. It doesn't matter how many are physically in Nebraska.



Margaret Akin

308-633-2234

margaret.akin@nebraska.gov

Steve Drzaic

402-595-2078

steve.drzaic@nebraska.gov

Taxpayer assistance

800-742-7474

revenue.nebraska.gov

Thank you!